

ASX Release

30 January 2015

Great Western Exploration Limited
ABN 53 123 631 470

ASX Code: *GTE*

Success starts with Opportunity

GTE is an experienced exploration company focussed on the discovery of high value base metal, nickel and gold deposits.

Contact Details:

185 Hay Street, Subiaco 6008

PO Box 8142, Subiaco 6008

T: (08) 6489 0101

F: (08) 6489 0100

info@greatwesternexploration.com.au
www.greatwesternexploration.com.au

Board of Directors

Kevin Some – Chairman

Jordan Lockett – Managing Director

Craig Mathieson – Non-Executive

Terry Grammer – Non-Executive

Kel Edwards – Company Secretary

Quarterly Report

December 2014

- Discovery of an exciting new gold prospect at Finlayson:
 - ✓ Drilling intersected a gold bearing hydrothermal system located approximately 55km directly along strike to the northwest of the Wiluna gold centre (~5 million ounces of historical gold production).
 - ✓ The geophysical datasets indicate the target structures connect to the main faults observed at Wiluna.
 - ✓ The mafic rocks and structural geometry are also similar to Wiluna.
- Drilling at the Goodin prospect intersects the Johnson Cairn sequence.
 - ✓ The company is targeting the Johnson Cairn sequence for copper – gold massive sulphide mineralisation.
 - ✓ Recent maps published by Sandfire Resources Limited show the Degruessa deposit is located on or near the faulted contact of this sequence.
- Rights Issue completed raising approx. \$370,000 before issue costs.

During the quarter maiden drilling completed at the Company's Finlayson prospect greatly enhanced the gold potential of the area by intersecting a hydrothermally altered mafic shear zone that contains anomalous gold mineralisation and associated pathfinder elements including bismuth, silver and tellurium.

The company also completed maiden drilling at the Goodin prospect and commenced work on identifying prospective magmatic nickel sulphide targets.

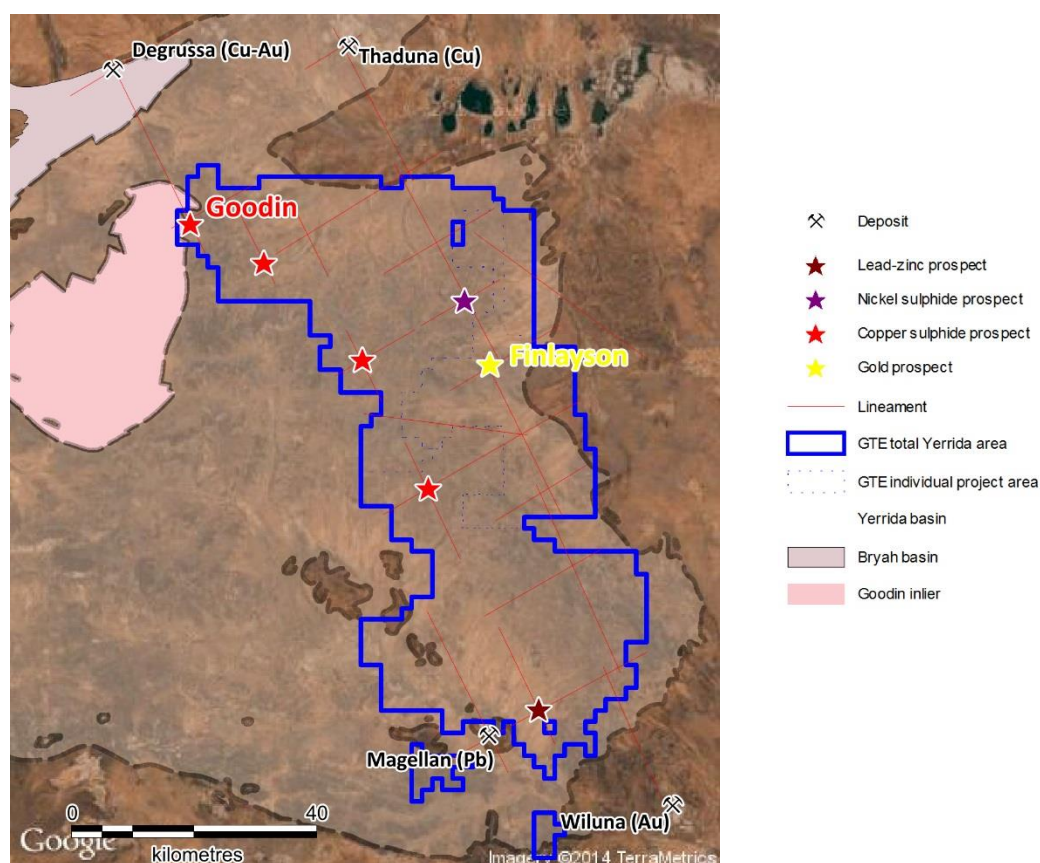


Figure 1. Location of the Yerrida Exploration Prospects identified by GTE to date.

YERRIDA EXPLORATION

Finlayson Prospect (Cunyu Project GTE earning 70%)

During the quarter the company completed maiden drilling at the Finlayson prospect comprising of nine reverse circulation holes ("RC") for 1,529m. The results from the drilling have greatly enhanced the gold prospectively and is an exciting development in an area where there has been no previous gold exploration or drilling along strike of a major gold district.

The drilling intersected a shear zone with altered mafic volcanics, anomalous gold mineralisation and associated pathfinder elements including bismuth, silver and tellurium (fig 2). The shear zone has a downhole width of 15 metres with peak gold anomalism that includes 1 metre intervals of 157ppb (0.16g/t Au) and 155ppb (0.16g/t Au) from 144 and 150 metres depth respectively (fig 3).

The gold anomalism along with the important pathfinder elements is strong evidence of a gold bearing hydrothermal system. The discovery of a mineralised shear zone within a mafic volcanic sequence is a significant and important development at this early stage of drilling as it provides a step change in the advancement of the Project.



Figure 2. CNRC005 mineralised shear zone

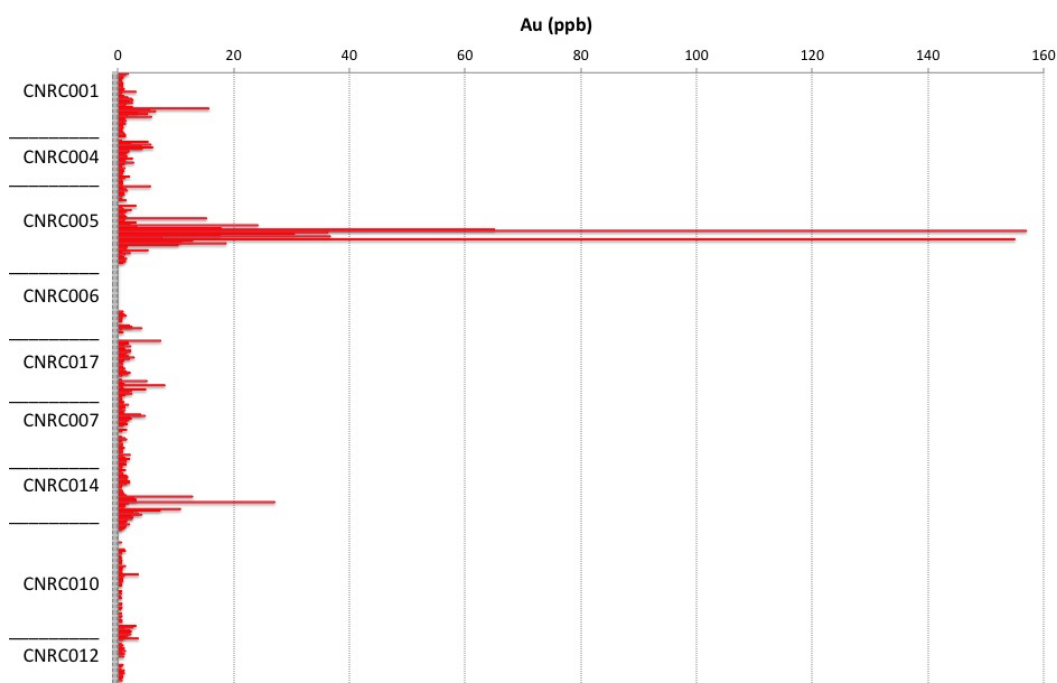


Figure 3. Comparative gold assay chart showing elevated gold in drill-hole CNRC005.

The primary objective of the drilling was to test the Company's initial conceptual model that there is unexplored mafic sequences and structures under shallow cover along the eastern margin of the Yerrida basin that could be traced back in the geophysical datasets to the Wiluna gold centre ("Wiluna"). To test this model the company designed a very broad spaced regional drill programme to determine the depth and nature of the basement rocks to open up a sizeable area for further exploration.

The drilling was successful in demonstrating that the critical elements required for gold mineralisation and furthermore the Company's structural interpretation based on the drilling and regional aeromagnetic data indicates that the gold is occurring within what could be an extensive hydrothermal system.

A simplified illustration of the structural interpretation at the Finlayson prospect is shown in figure 3 where the recent drill holes are displayed as white points and the historic drilling located 2 kilometres to the north as magenta points. The 'hot' colours indicate rocks of high magnetic response and the 'cool' colours a low magnetic response. The interpretation shows a strong magnetic unit, which drilling confirmed to be a mafic volcanic sequence, within a 2 kilometres wide structural corridor comprising of primary north trending structures and secondary northwest and northeast trending structures. There are significant areas of demagnetisation coincident with these structures which could be explained as hydrothermal alteration occurring within dilation zones related to these structures and are therefore potential sites for the formation of gold deposits.

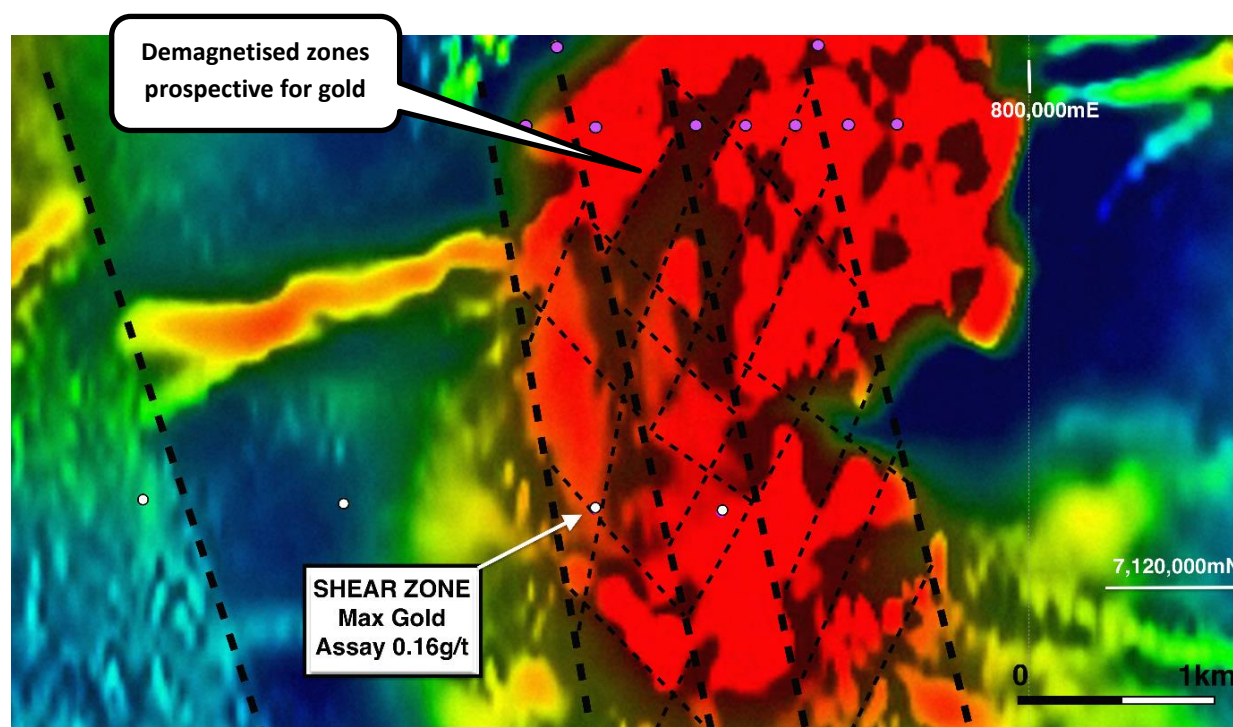


Figure 3. Simplified structural model over magnetics at the Finlayson Gold Project

Wiluna is a major gold centre with historical production of approximately 5 million ounces and is located 55 kilometres to the southeast of the Finlayson prospect. The gold mineralisation at Wiluna is hosted in a sequence of mafic volcanic rocks within a corridor 2 kilometres wide and 5 kilometres long that is bounded by two major north trending structures. Between these major structures are secondary brittle-ductile linking structures orientated to the north and northeast that host the gold in the form of quartz reef deposits with associated sulphides. There is also demagnetisation of the host rocks associated with the gold mineralisation within this corridor.

At this early stage the geological associations and dimension of the Finlayson prospect compares well to Wiluna.

Basement depths determined by the drilling combined with the geophysical data and field mapping of the basal Finlayson Member has identified extensive areas of interest that are likely to be prospective for gold under shallow cover. Whilst the newly discovered shear zone will be the immediate focus of future exploration these other areas of interest will be included into the overall exploration strategy.

The Finlayson prospect is a high priority with the potential for a major gold discovery. The Company is planning further work including geochemical & geophysical surveys and further drilling to be completed as soon as possible.

Goodin Prospect (Doolgunna Project GTE 100%)

During the quarter the company completed maiden drilling at the Goodin prospect that comprised of two RC holes for 400 metres to test two EM conductors located near or at the contact of what the company has interpreted to be the Johnson Cairn sequence.

There were no significant assay results however the drilling did intersect the contact between an interbedded shale-siltstone sequence hosting up to 10% disseminated pyrite and a sandstone sequence the company believes to be the target horizon for VMS mineralisation.

Recent maps published by Sandfire Resources Limited show the Degrudda deposit located on or near the faulted contact of the Johnson Cairn sequence. At Goodin the company was targeting the intersection of an interpreted regional fault and the contact of the Johnson Cairn sequence which had been mapped nearby.

The preliminary analysis of the drilling indicates that it did intersect the contact between the Johnson Cairn and Thaduna sequences that are similar in composition to the rock types reported to host the Degrudda VMS mineralisation. These sequences did contain disseminated sulphide mineralisation up to 10% but there was no evidence of the interpreted regional fault which could be located further to the east of the drilling.

The drilling does provide encouragement for the company to continue exploration at Goodin.

The next phase of work is being planned and will initially involve further geophysical and geochemical surveys to more accurately define the regional structure the company is targeting and then focus drilling into the EM conductors located along this structure.

Yerrida Nickel Potential

The Killara volcanics within the Yerrida basin has been previously identified by the Geological Survey of Western Australia ("GSWA"), Rio Tinto, Western Mining and Jubilee Resources as being prospective for magmatic nickel sulphides.

The Company has an extensive area of these prospective Killara sequences and commenced a review of the magmatic nickel potential during the quarter. The company will provide an update on this review shortly.

CAPITAL RAISING

During the quarter the company completed a 1:10 non renounceable Rights Issue raising approximately \$370,000 before issue costs.

J A Lockett **Managing Director**

Competent Person Statement

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Jordan Lockett who is a member of the Australian Institute of Mining and Metallurgy. Mr Lockett is an employee of Great Western Exploration Limited and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Lockett consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Tenement Schedule

District	Project Name	Tenement No.	Status	Ownership
<u>Forrestania JV Project</u>	Mt Gibb South	E74/305	Live	30%
	Hatters Hill	E74/368	Live	30%
	Hatters Hill	E74/428	Live	30%
	North Iron Cap	E74/446	Live	30%
	North Iron Cap	E77/1545	Live	30%
	North Iron Cap	E77/1546	Live	30%
<u>Doolgunna Project</u>	Neds Creek	E51/1333	Live	100%
	Neds Creek	E51/1320	Live	100%
	Neds Creek	E51/1321	Live	100%
	Neds Creek	E51/1330	Live	100%
	Neds Creek	E51/1355	Live	90%
	Doolgunna	E51/1322	Live	100%
	Doolgunna	E51/1323	Live	100%
	Doolgunna	E51/1324	Live	100%
	Paroo	E53/1712	Live	100%
	Paroo	E53/1728	Live	100%
	Paroo	E51/1540	Live	100%
	Paroo	E51/1560	Live	100%
	Paroo	E53/1722	Live	100%
	Paroo	E53/1713	Pending	100%
	Paroo	E53/1730	Live	100%
	Paroo	E53/1740	Live	100%
	Paroo	E53/1774	Live	100%
	Paroo	E53/1775	Live	100%
	Paroo	E53/1776	Live	100%
	Paroo	E53/1804	Pending	100%
	Paroo	E53/1810	Pending	100%
	Paroo	E53/1811	Pending	100%
	Paroo	E53/1812	Pending	100%
	Paroo	E53/1813	Pending	100%
	Cunyu JV	E51/1234	Live	GTE earning 70%
	Cunyu JV	E51/1238	Live	GTE earning 70%
	Cunyu JV	E51/1279	Live	GTE earning 70%
	Cunyu JV	E53/1341	Live	GTE earning 70%
<u>Millrose Project</u>	Millrose	E53/1619	Live	100%
	Millrose	E53/1620	Live	100%
	Millrose	E53/1666	Live	100%